

Stock code: 000058, 200058

Notice No.:2022-065

Stock abbreviation: SHEN SEG, SHEN SEG B

Shenzhen SEG Co., Ltd.

The Third Quarterly Report for 2022

The Company and whole members of the BOD guarantee that the information disclosed is true, accurate and complete, and there are no any fictitious records, misleading statements or important omissions.

Important content reminder:

1. Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shenzhen SEG Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.
2. Principal of the Company, Person in Charge of Accounting Works and Person in Charge of Accounting Organ (Accounting Officer) hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.
3. Whether the Third Quarterly Report has been audited or not

Yes No

I. Main financial data**(i) Main accounting data and financial indexes**

Whether it has retroactive adjustment or re-statement on previous accounting data or not

 Yes No

	Current period	Increase/decrease in the period compared with the same period of the previous year	Year-begin to period-end	Increase/decrease from year-begin to period-end compared with the same period of the previous year
Operating income (Yuan)	470,972,297.93	1.56%	1,312,587,406.20	-7.40%
Net profit attributable to shareholders of the listed company (Yuan)	43,046,386.07	671.26%	19,222,397.31	-64.05%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (Yuan)	9,385,657.46	447.59%	-18,148,087.87	-149.40%
Net cash flow arising from operating activities (Yuan)	—	—	32,850,052.08	24.16%
Basic earnings per share (Yuan /Share)	0.0349	675.84%	0.0156	-63.97%
Diluted earnings per share (Yuan /Share)	0.0349	675.84%	0.0156	-63.97%
Weighted average ROE	2.18%	1.89%	0.98%	-1.80%
	End of current period	End of previous year	Increase/decrease at the period-end compared with the end of the previous year	
Total assets (Yuan)	5,286,984,169.67	5,632,373,265.14	-6.13%	
Net assets attributable to shareholder of listed company (Yuan)	1,938,111,951.83	1,984,760,159.28	-2.35%	

(ii) Items and amounts of non-recurring profit (gains)/losses Applicable Not applicable

Unit: Yuan

Item	Amount for the period	Amount from year-begin to period-end	Note
Gains/losses from the	40,982,397.47	40,919,736.22	Mainly due to the sale of

disposal of non-current asset (including the write-off that accrued for impairment of assets)			stock of Huakong SEG during the reporting period
Government subsidy recorded in current gains/losses (except those closely related to the Company's normal operation, and those continuously enjoyed on a fixed or quantitative basis with certain standards in accordance with national policy regulations)	1,186,113.50	3,621,649.32	
Capital occupation fee charged to non-financial enterprise that reckoned into current gains/losses		214,101.84	
Profit and loss from commissioned investment or asset management	3,543,008.48	6,193,914.88	
Trust fee obtained from trust operation	31,913.70	97,291.00	
Other non-operating income and expenses other than the above	789,208.64	1,122,295.01	
Other gains/losses items that meet the definition of non-recurring gains/losses	30,449.80	442,749.88	
Less: impact on income tax	11,600,626.98	13,059,503.01	
Impact on minority shareholders' equity (post-tax)	1,301,736.00	2,181,749.96	
Total	33,660,728.61	37,370,485.18	--

Other gain/loss items that qualified the definition of non-recurring profit (gains)/losses:

Applicable Not applicable

The Company does not have other gain/loss items that qualified the definition of non-recurring profit (gains)/losses

Explanation on those non-recurring gain/loss listed in the "Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss" defined as recurring gain/loss

Applicable Not applicable

The Company does not have the non-recurring gain/loss listed in the “Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss” defined as recurring gain/loss

(iii) Particulars about changes in items of main accounting data and financial index and explanations of reasons

Applicable Not applicable

(1) Items of the Consolidated Balance Sheet Statement

Unit: Yuan

Item	Closing balance	Opening balance	Difference	Increase or decrease at the end of the period compared with the beginning of the period (%)	Reasons for differences
Monetary fund	754,803,066.26	1,102,543,548.87	-347,740,482.61	-31.54%	Mainly due to the returning of borrowings to controlling shareholders and principal & interest of bank loans
Account receivable	298,887,826.69	209,248,610.21	89,639,216.48	42.84%	Mainly due to the settlement of Company's property management business
Other account receivable	101,863,738.23	50,022,297.47	51,841,440.76	103.64%	Mainly because the business contacts increased
Short-term borrowing	110,000,000.00	63,003,480.82	46,996,519.18	74.59%	Mainly because the bank borrowings growth
Other current liabilities	5,169,241.10	1,199,408.55	3,969,832.55	330.98%	Mainly due to the growth of taxes ready to be transferred

(2) Items of Consolidated Profit Statement

Unit: Yuan

Item	Amount for the current period	Amount of the same period of the previous year	Difference	Increase/decrease in the current period compared with the same period of last year (%)	Reasons for differences
R&D expenses	6,465,826.38	3,395,145.58	3,070,680.80	90.44%	Mainly due to the increase investment in R&D in the Period

Financial expenses	38,692,104.55	61,326,101.97	-22,633,997.42	-36.91%	Mainly due to the decrease in financing size in the Period
Investment income	40,729,613.09	5,484,906.30	35,244,706.79	642.58%	Mainly due to the gains from sales of the stock of Huakong SEG in the Period
Credit impairment loss	547,396.51	5,786,949.61	-5,239,553.10	-90.54%	Mainly due to the recovery of litigation in the same period last year
Income tax expense	33,975,004.00	72,175,008.10	-38,200,004.10	-52.93%	Mainly due to the policy-based rent reduction in the Period

(3) Items of the Consolidated Cash Flow Statement

Unit: Yuan

Item	Amount for the current period	Amount of the same period of the previous year	Difference	Increase/decrease in the current period compared with the same period of last year (%)	Reasons for differences
Net cash flow arising from investment activities	-12,701,824.85	89,705,143.41	-102,406,968.26	-114.16%	Mainly because the net wealth management purchased in the Period increased on a y-o-y basis
Net cash flow arising from financing activities	-360,555,805.03	-123,274,962.04	-237,280,842.99	-192.48%	Mainly due to the return of borrowings and interests to controlling shareholder in the Period
Net increase in cash and cash equivalents	-340,407,577.80	-7,111,651.47	-333,295,926.33	-4686.62%	The net cash flow arising from investment and financing activities declined in the Period

II. Shareholders Information

(i) Total number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

Unit: Share

Total common shareholders at the end of report period	67,062	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Top 10 shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Information of shares pledged, tagged or frozen	
					State of share	Amount

Shenzhen SEG Group Co., Ltd.	State-owned legal person	56.54%	696,163,182	0	
Liu Guocheng	Domestic natural person	0.59%	7,296,402	0	
LISHERYNZH ANMING	Overseas natural person	0.46%	5,691,062	0	
Liu Guohong	Domestic natural person	0.30%	3,656,161	0	
Gong Qianhua	Overseas natural person	0.24%	2,940,000	0	
Xu Yueying	Domestic natural person	0.16%	1,996,800	0	
Wang Jinjun	Domestic natural person	0.14%	1,670,000	0	
Luo Haijin	Domestic natural person	0.12%	1,512,875	0	
Su Yi	Domestic natural person	0.12%	1,468,513	0	
Qian Jidong	Domestic natural person	0.11%	1,412,700	0	

Top ten shareholders with unrestricted shares held

Shareholder's name	Amount of unrestricted shares held	Type of shares	
		Type	Amount
Shenzhen SEG Group Co., Ltd.	696,163,182	RMB ordinary shares	696,163,182
Liu Guocheng	7,296,402	Domestic listed foreign shares	7,296,402
LISHERYNZHANMING	5,691,062	Domestic listed foreign shares	5,691,062
Liu Guohong	3,656,161	Domestic listed foreign shares	3,656,161
Gong Qianhua	2,940,000	Domestic listed foreign shares	2,940,000
Xu Yueying	1,996,800	Domestic listed	1,996,800

		foreign shares	
Wang Jinjun	1,670,000	Domestic listed foreign shares	1,670,000
Luo Haijin	1,512,875	Domestic listed foreign shares	1,512,875
Su Yi	1,468,513	Domestic listed foreign shares	1,468,513
Qian Jidong	1,412,700	RMB ordinary shares	1,412,700
Explanations on the association relationship or concerted action among the above-mentioned shareholders	Shenzhen SEG Group Co., Ltd has no association with other shareholders, nor it is a concerted action unit as set forth in the <i>Administration of the Takeover of Listed Companies Procedures</i> . It is unknown whether other shareholders have an association or are concerted action units or not.		
Information on top 10 ordinary shareholders participating in securities margin trading (if applicable)	N/A		

(ii) Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

III. Other significant events

Applicable Not applicable

Overview of major events	Disclosure date	Inquiry index for the websites disclosing the temporary reports
1. Controlling subsidiaries involved in litigation and arbitration	2022-7-5	The <i>Progress of the Controlling Sub-subsidiary Involved in Litigation and Arbitration</i> released on Juchao Website http://www.cninfo.com.cn/
2. Shares reduction of Huakong SEG	2022-6-29	The <i>Resolution of the 36th Interim Meeting of 8th BOD and Notice on Reduction of the Shares of Shenzhen Huakong SEG Co., Ltd. held by the Company</i> released on Juchao Website (http://www.cninfo.com.cn/)
	2022-7-19	<i>Resolution of Third Interim Meeting of 2022 of Shenzhen SEG Co., Ltd.</i> released on Juchao Website (http://www.cninfo.com.cn/)
3. Changes of Directors, Supervisors and	2022-7-9	<i>Notice of Deputy GM, Financial Manager Resignation</i>

Senior Executives of the Company		released on Juchao Website (http://www.cninfo.com.cn/)
	2022-7-26	The <i>Resolution of the 37th Interim Meeting of 8th BOD</i> released on Juchao Website (http://www.cninfo.com.cn/)
	2022-9-23	The <i>Resolution of the 38th Interim Meeting of 8th BOD and Resignation of Secretary of the Board and Designated the Deputy GM and Financial Officer to Act as the Secretary of the Board</i> released on Juchao Website (http://www.cninfo.com.cn/)
4. Release of the restricted shares from non-public offering of shares	2022-7-14	<i>Prompt Notice on the Release of Restricted Shares from Non-public Offering of Shares</i> released on Juchao Website (http://www.cninfo.com.cn/)

IV. Quarterly financial statements

(i) Financial statement

1. Consolidate balance sheet

Prepared by Shenzhen SEG Co., Ltd.

Unit: Yuan

Item	September 30, 2022	January 1, 2022
Current assets:		
Monetary fund	754,803,066.26	1,102,543,548.87
Settlement provisions		
Capital lent		
Trading financial assets	306,762,428.71	325,057,600.51
Derivative financial assets		
Note receivable	6,471,550.00	5,441,038.00
Account receivable	298,887,826.69	209,248,610.21
Receivable financing		
Accounts paid in advance	9,022,799.99	9,318,448.66
Insurance receivable		

Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	101,863,738.23	50,022,297.47
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	1,732,700,251.97	1,697,997,134.90
Contractual assets	16,433,589.67	22,328,808.46
Assets held for sale		
Non-current asset due within one year		
Other current assets	149,996,807.88	181,153,434.58
Total current assets	3,376,942,059.40	3,603,110,921.66
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable	41,205,380.03	38,454,117.14
Long-term equity investment	170,192,473.15	181,471,343.42
Investment in other equity instrument	34,195,900.63	34,066,039.01
Other non-current financial assets		
Investment real estate	967,190,254.47	1,009,378,181.86
Fixed assets	264,038,270.10	265,396,889.67
Construction in progress	4,029,389.42	3,042,922.98
Productive biological asset		
Oil and gas asset		

Right-of-use assets	249,222,387.89	308,471,942.19
Intangible assets	23,436,463.95	25,065,576.29
Expense on Research and Development		
Goodwill	71,041,012.43	71,041,012.43
Long-term expenses to be apportioned	27,866,369.13	35,531,141.15
Deferred income tax asset	49,509,868.71	50,372,808.51
Other non-current asset	8,114,340.36	6,970,368.83
Total non-current asset	1,910,042,110.27	2,029,262,343.48
Total assets	5,286,984,169.67	5,632,373,265.14
Current liabilities:		
Short-term loans	110,000,000.00	63,003,480.82
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	422,472,131.73	380,319,611.50
Accounts received in advance	143,462,074.15	158,668,868.45
Contractual liability	42,235,340.80	50,003,262.90
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	108,553,755.11	115,799,226.03
Taxes payable	145,908,476.12	158,561,857.46

Other account payable	917,053,711.37	1,142,794,979.80
Including: Interest payable	468,647.19	
Dividend payable	20,343,095.44	20,359,956.10
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	131,256,174.97	138,220,344.18
Other current liabilities	5,169,241.10	1,199,408.55
Total current liabilities	2,026,110,905.35	2,208,571,039.69
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	519,654,338.38	546,248,418.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	181,243,721.97	232,520,332.31
Long-term account payable	5,423,417.05	5,905,964.21
Long-term wages payable		
Accrual liability	54,377,757.11	54,377,757.11
Deferred income	747,352.18	966,382.90
Deferred income tax liabilities	10,111,236.57	10,579,877.96
Other non-current liabilities		
Total non-current liabilities	771,557,823.26	850,598,732.49
Total liabilities	2,797,668,728.61	3,059,169,772.18
Owner's equity:		

Share capital	1,231,200,672.00	1,235,656,249.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	167,678,846.72	216,689,753.71
Less: Inventory shares		
Other comprehensive income	146,311.74	81,465.34
Reasonable reserve		
Surplus public reserve	175,537,597.25	175,537,597.25
Provision of general risk		
Retained profit	363,548,524.12	356,795,093.98
Total owner's equity attributable to parent company	1,938,111,951.83	1,984,760,159.28
Minority interests	551,203,489.23	588,443,333.68
Total owner's equity	2,489,315,441.06	2,573,203,492.96
Total liabilities and owner's equity	5,286,984,169.67	5,632,373,265.14

Legal Representative: Zhang Liang

Person in charge of accounting works: Xiao Jun

Person in charge of accounting institute: Xiao Jun

2. Consolidated Profit Statement (from the year-begin to the period-end)

Unit: Yuan

Item	Current period	Last period
I. Total operating income	1,312,587,406.20	1,417,504,652.62
Including: Operating income	1,312,587,406.20	1,417,504,652.62
Interest income		
Insurance gained		

Commission charge and commission income		
II. Total operating cost	1,295,389,399.14	1,276,069,513.66
Including: Operating cost	1,139,252,432.11	1,093,023,680.53
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	20,218,230.48	23,726,830.00
Sales expense	16,880,998.46	13,971,546.04
Administrative expense	73,879,807.16	80,626,209.54
R&D expense	6,465,826.38	3,395,145.58
Financial expense	38,692,104.55	61,326,101.97
Including: Interest expenses	45,339,482.76	66,284,813.61
Interest income	7,387,541.62	5,933,622.59
Add: other income	6,552,772.37	4,252,082.41
Investment income (Loss is listed with “-”)	40,729,613.09	5,484,906.30
Including: Investment income on affiliated company and joint venture	-6,445,928.58	-7,328,049.14
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		

Loss of credit impairment (Loss is listed with “-”)	547,396.51	5,786,949.61
Losses of devaluation of asset (Loss is listed with “-”)		-1,022,381.53
Income from assets disposal (Loss is listed with “-”)	22,382.28	
III. Operating profit (Loss is listed with “-”)	65,050,171.31	155,936,695.75
Add: Non-operating income	2,083,192.46	2,225,748.89
Less: Non-operating expense	1,045,170.30	1,176,199.84
IV. Total profit (Loss is listed with “-”)	66,088,193.47	156,986,244.80
Less: Income tax expense	33,975,004.00	72,175,008.10
V. Net profit (Net loss is listed with “-”)	32,113,189.47	84,811,236.70
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	32,113,189.47	84,811,236.70
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company (net loss listed with “-”)	19,222,397.31	53,466,082.02
2.Minority shareholders’ gains and losses (net loss listed with “-”)	12,890,792.16	31,345,154.68
VI. Net after-tax of other comprehensive income	97,396.22	19,050.88
Net after-tax of other comprehensive income attributable to owners of parent company	64,846.40	12,662.60
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss	64,846.40	12,726.86
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument	64,846.40	12,726.86
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		-64.26

1.Other comprehensive income under equity method that can transfer to gain/loss		-64.26
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	32,549.82	6,388.28
VII. Total comprehensive income	32,210,585.69	84,830,287.58
Total comprehensive income attributable to owners of parent Company	19,287,243.71	53,478,744.62
Total comprehensive income attributable to minority shareholders	12,923,341.98	31,351,542.96
VIII. Earnings per share:		
(i) Basic earnings per share	0.0156	0.0433
(ii) Diluted earnings per share	0.0156	0.0433

Enterprise combine under the same control in the Period, the combined party realized net profit of 0.00 Yuan before combination, and realized 0.00 Yuan at last period for combined party

Legal Representative: Zhang Liang

Person in charge of accounting works: Xiao Jun

Person in charge of accounting institute: Xiao Jun

3. Consolidated Cash Flow Statement (from the year-begin to the period-end)

Unit: Yuan

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	1,321,332,074.61	1,320,431,639.91
Net increase of customer deposit and interbank deposit		

Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	5,882,155.72	9,221,832.58
Other cash received concerning operating activities	197,848,806.94	252,313,074.28
Subtotal of cash inflow arising from operating activities	1,525,063,037.27	1,581,966,546.77
Cash paid for purchasing commodities and receiving labor service	532,676,006.07	404,395,514.37
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	561,038,478.09	512,869,166.75
Taxes paid	140,564,385.71	170,820,448.32
Other cash paid concerning operating activities	257,934,115.32	467,423,250.17
Subtotal of cash outflow arising from operating activities	1,492,212,985.19	1,555,508,379.61
Net cash flows arising from operating activities	32,850,052.08	26,458,167.16
II. Cash flows arising from investing activities:		

Cash received from recovering investment	374,982,905.60	598,937,800.00
Cash received from investment income	43,934,675.01	22,424,508.94
Net cash received from disposal of fixed, intangible and other long-term assets	1,402.29	450.00
Net cash received from disposal of subsidiaries and other units	1,095,632.06	6,406,262.20
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	420,014,614.96	627,769,021.14
Cash paid for purchasing fixed, intangible and other long-term assets	45,926,439.81	36,195,112.01
Cash paid for investment	386,790,000.00	499,902,368.30
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		1,966,397.42
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	432,716,439.81	538,063,877.73
Net cash flows arising from investing activities	-12,701,824.85	89,705,143.41
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	124,146,990.38	113,078,930.00
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	124,146,990.38	113,078,930.00
Cash paid for settling debts	107,283,593.56	151,355,541.67
Cash paid for dividend and profit distributing or interest paying	92,849,084.97	84,998,350.37
Including: Dividend and profit of minority shareholder paid by subsidiaries	19,965,244.75	15,233,747.29
Other cash paid concerning financing activities	284,570,116.88	
Subtotal of cash outflow from financing activities	484,702,795.41	236,353,892.04

Net cash flows arising from financing activities	-360,555,805.03	-123,274,962.04
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-340,407,577.80	-7,111,651.47
Add: Balance of cash and cash equivalents at the period-begin	1,091,838,138.56	817,618,857.13
VI. Balance of cash and cash equivalents at the period-end	751,430,560.76	810,507,205.66

(ii) Audit report

Whether the 3rd quarterly report has been audited or not

Yes No

The 3rd quarterly report of the Company has not been audited.

Board of Directors of
Shenzhen SEG Co., Ltd.

October 28, 2022